1938 General Letter No. 21

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

June 1, 1938

To Administrative Officers
Southern Region

The following questions and answers in connection with the 1938 Agricultural Conservation Program are submitted for your information:

Question: Who is authorized to execute parts II and III of Form ACP-69 on behalf of the Farm Credit Administration and the Farm Security Administration?

Answer: Field supervisors employed by the Farm Credit Administration are authorized to execute parts II and III of Form ACP-69 as agents for the governor of the Farm Credit Administration in connection with emergency crop and feed loans. In the case of loans made by production credit associations, any officer of the production credit association is authorized to execute parts II and III of Form ACP-69.

County rural rehabilitation supervisors employed by the Farm Security Administration are authorized to execute parts II and III of Form ACP-69 on behalf of the Farm Security Administration.

Question: In making an assignment in connection with the 1938 Agricultural Conservation Program how can the probable payment for the producer with respect to the farm be estimated if the 1938 yields or index for the farm have not been established?

Answer: It is not contemplated that the exact amount of the farmer's payment need be known before an assignment for a loan can be executed. The exact payment due the farmer under the 1938 Agricultural Conservation Program cannot be determined until after his farm has been checked for performance. The probable payments for a farm for which acreage allotments have been established may be conservatively estimated by the county committee on the basis of the yields and productivity index for such farm under the 1937 Agricultural Conservation Program, as these figures for 1938 are not likely to be appreciably less than those established under the 1937 Agricultural Conservation Program.

In cases where the 1938 yields or indexes for individual farms will be materially lower than the yields or indexes established under the 1937 program, the county committee is in a position to recognize these differences and will be able to inform the assignor and the assignee regarding them.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 21 (Revised)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

July 6, 1938.

To Administrative Officers
Southern Region

The following questions and answers in connection with the 1938 Agricultural Conservation Program are submitted for your information:

Question: Who is authorized to execute Parts II and III of Form ACP-69 on behalf of the Farm Credit Administration?

Answer: 1. Each field supervisor, collector, and bonded employee (on temporary duty in the field) of the Emergency Crop and Feed Loan Section of the Farm Credit Administration is authorized to execute, as the agent of the Governor of the Farm Credit Administration, Part II of Form ACP-69.

2. Each regional manager and each credit and collection manager of an emergency crop and feed loan office is authorized severally and not jointly, to execute, as the agent of the Governor of the Farm Credit Administration, Part III of Form ACP-69.

Question: Who is authorized to execute Part II or III of Form ACP-69 on behalf of the Farm Security Administration?

Answer: County rural rehabilitation supervisors employed by the Farm Security Administration are authorized to execute Parts II and III of Form ACP-69 on behalf of the Farm Security Administration.

Question: Who is authorized to execute Part II or III of Form ACP-69 on behalf of the Production Credit Association?

Answer: Any official of the Production Credit Association is authorized to execute Parts II and III of Form ACP-69 on behalf of the Production Credit Association.

Question: In making an assignment in connection with the 1938 Agricultural Conservation Program how can the probably payment for the producer with respect to the farm be estimated if the 1938 yields or index for the farm have not been established?

Answer: It is not contemplated that the exact amount of the farmer's payment need be known before an assignment for a loan can be executed. The exact payment due the farmer under the 1938 Agricultural Conservation Program cannot be determined until after his farm has been checked for performance. The probably payments for a farm for which acreage allotments have been established may be conservatively estimated by the county committee on the basis of the yields and productivity index for such farm under the 1937 Agricultural Conservation Program, as these figures for 1938 are not likely to be appreciably less than those established under the 1937 Agricultural Conservation Program.

In cases where the 1938 yields or indexes for individual farms will be materially lower than the yields or indexes established under the 1937 program, the county committee is in a position to recognize these differences and will be able to inform the assignor and the assignee regarding them.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 22.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

May 28, 1938.

To Administrative Officers,
Southern Region

A question has arisen as to the procedure to be followed in instances in which Form SRM-205 was either incorrectly executed or was not executed within the prescribed time and wherein separate cotton acreage allotments have been made to the several tracts of land which constitute one farm as defined in Southern Region Bulletin 201.

In correcting such allotments the procedure to be used is as follows:

In those cases in which cotton acreage allotments have been established for tracts of land rather than for a farm Form SRM-205 may be executed prior to June 25 requesting the combination of such tracts together with a new work sheet covering the farm. The producer requesting the combination must make a statement in writing showing why he failed either to execute Form SRM-205 or why it was executed in error. Such statement should be examined by the county committee and if it is found that none of the individual parcels of land for which the combination is requested is considered as a farm but when combined such individual tracts of land will in fact constitute a farm, such combination should be approved. The county office may then combine the allotments made to such tract into one allotment for the farm. The procedure for listing the data on Form ACP-58 with respect to the acreage allotments previously made to the separate tracts and the data with respect to the acreage allotment to the farm as it is constituted in 1938 is the same as the procedure previously transmitted to you for correcting errors. Any increase in allotments arising out of such combinations must be confined to the amount of the 4 percent reserve remaining for correcting errors.

When the county office has finished listing the information on Form ACP-58, such form, together with the respective Forms SRM-205 and SR-101, should be transmitted to the State committee for examination. If the State committee finds such combinations are valid and not constituting an effort to obtain joint performance between two or more farms in 1938, they may approve them and request the county office to notify the producers concerning the corrected allotments. The State committee should make an itemized report to the Washington office currently showing by counties the number of tracts which were combined for each farm.

If an allotment is correctly made to a farm, such allotment may not be changed in 1938 due to subsequent combinations or subdivisions by sale or otherwise which change is made only for the purpose of obtaining joint performance.

In approving combinations under this procedure both the county and State committees are urged to review carefully all requests for such combinations in order that joint performance will not occur between separate farms.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

1938 General Letter No. 23

June 9, 1938.

To Administrative Officers,
Southern Region

The following question and answer in connection with the 1938 Agricultural Conservation Program is submitted for your information:

Question: Does the provision of subsection D, Section XI of Southern Region Bulletin 201, which provides that a payment may be assigned without discount, preclude the charging of interest for the cash advanced, supplies furnished, or services rendered to the assignor by the assignee?

Answer: The regulations regarding assignments of payments under the 1938 Agricultural Conservation Program do not preclude the charging of interest for the cash advanced, supplies furnished, or services rendered if the agreement between the assignor and assignee contenplates that interest is to be paid. However, the interest charge agreed upon between the assignor and the assignee is a private matter and the amount thereof will not be considered when issuing the check to the assignee for the amount of the payment assigned. The requirement that payments, if assigned, are to be assigned without discount means that the payments are not to be discounted by charging more than the current cash price for any supplies furnished or services rendered, nor by deducting interest in advance on any cash advanced.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 24

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

July 6, 1938.

To Administrative Officers,
Southern Region.

This will confirm our telegram of June 25, 1938, pertaining to permanent pastures and the classification of cropland as acreage which is tilled annually or in regular rotation. The telegram reads as follows:

> "RELET JUNE 22 INSTRUCTIONS BULLETINS 203 and 204 RELATIVE COLUMN D SECTION IV FORM 212, BULLETINS WILL BE AMENDED TO CARRY OUT ORIGINAL INTENTION THAT ONLY PERMANENT PASTURE ESTABLISHED SINCE JANUARY 1 1930 ON LAND WHICH WAS SEVERELY ERODED OR ON SLOPES CONSIDERED TOO STEEP TO CULTIVATE BE CONSIDERED AS ACREAGE NOT TILLED ANNUALLY OR IN A REGULAR ROTATION. PERMANENT PASTURES ESTABLISHED SINCE THE ABOVE DATE ON CROPLAND WHICH IS SUITABLE FOR AND WHICH COULD BE READILY RETURNED TO TILLED CROPS ARE CONSIDERED TO BE ON LAND WHICH IS TILLED ANNUALLY OR IN A REGULAR ROTATION. PERMANENT MEADOWS ARE TO BE TREATED IN THE SAME MANNER AS PERMANENT PASTURES. PERFORMANCE SUPERVISORS SHOULD BE ADVISED IMMEDIATELY."

The above quoted telegram should not be interpreted to mean that cropland which is permanently in permanent pasture should be classified as acreage which is tilled annually or in regular rotation since it is clear that cropland which is permanently in permanent pasture is not tilled annually or in regular rotation and, therefore, should be excluded from the cropland on a farm in determining the acreage on the farm which is tilled annually or in regular rotation.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 25

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
WASHINGTON, D. C.

July 9, 1938.

To Administrative Officers
Southern Region

The following question and answer in connection with the 1938 Agricultural Conservation Program is submitted for your information:

Question: Should approved soil-building practices carried out in excess of those required to meet the soil-building goal for the farm be reported on Forms SR-212 and SR-208 or SR-213?

Answer: All approved soil-building practices carried out on the farm should be reported on Forms SR-212 and SR-208 or SR-213 even though in excess of the number of soil-building practice units necessary to meet the soil-building goal for the farm. This is desirable for the purpose of program planning and is necessary in order that the payment computed with respect to practices may be divided on the basis of all practices carried out on the farm in 1938.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 26

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

July 27, 1938

To Administrative Officers,
Southern Region.

An inquiry has been received relative to the procedure to be followed in cases where the official notice of the 1938 cotton acreage allotment was in excess of the correct cotton acreage allotment for the farm.

In cases where the official cotton acreage allotment was in excess of the correct cotton acreage allotment due to either (1) the cotton acreage allotment having been incorrectly computed on Form ACP-58, or (2) the cotton acreage allotment having been incorrectly transcribed on the official notice, the procedure shall be as follows:

If the cotton acreage allotment was incorrectly computed on Form ACP-58, the State office should advise the county office of the correct cotton acreage allotment. Whether the error occurred in the State or county office, the county office should prepare a corrected notice. If the report of performance reveals that the acreage planted to cotton does not exceed the acreage contained in the corrected notice, such corrected notice should be mailed to the producer. If the report of performance reveals that the acreage planted to cotton exceeds the acreage contained in the corrected notice, a local committeeman should promptly visit the farm and ascertain the acreage of cotton, if any, planted on the farm after the operator received the erroneous official notice of cotton acreage allotment for the farm. The local committeeman should then deliver the corrected notice of the cotton acreage allotment to the operator of the farm and report to the county committee in writing the pertinent facts found by him.

If the county committee finds that a producer who had not previously received his corrected notice, acting solely upon information contained in the erroneous notice, planted cotton on the farm in excess of the acreage allotment contained in the corrected notice, the conservation payment shall be based upon the acreage contained in the corrected notice, and the acreage contained in the erroneous notice shall be used as the basis for determining any deductions in the conservation program for failing to stay within the cotton acreage allotment. It is understood, of course, that if the producer knowingly overplanted the acreage allotment shown on the erroneous notice he would be ineligible for any payment under the conservation program

or the 1937 Cotton Price Adjustment Plan. Therefore, in cases where overplanting occurred after receipt of the erroneous notice, deductions for acreage in excess of the erroneous allotment would be computed only where the overplanting is determined to be due to the producer's lack of knowledge of the number of acres in the field planted to cotton.

There is no authority under the marketing quota provisions of the Agricultural Adjustment Act of 1938 to waive any penalties and the corrected allotment must govern.

Prompt action must be taken in these cases as it is necessary to determine the acreage, if any, of cotton planted on the farm after the producer received the erroneous notice.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 27

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

July 27, 1938.

To Administrative Officers,
Southern Region:

The following question and answer in connection with the 1938 Agricultural Conservation Program is submitted for your information:

Question: Will any penalty be imposed on the marketing of cotton grown on a privately-owned farm with respect to which a publicly-owned agricultural experiment station furnishes the seed and fertilizer for the crop and the farmer, in consideration of the receipt of all the crops which he produces on the land involved, undertakes to perform all services in connection with the production?

Answer: Section 372(d) of the Agricultural Adjustment Act of 1938, added by the Act of April 7, 1938, provides:

> "No penalty shall be collected under this Act with respect to the marketing of any agricultural commodity grown for experimental purposes only by any publicly-owned agricultural experiment station."

Since the cotton grown on privately-owned land is produced through the use of private labor and is not grown for experimental purposes only, but is privately marketed for private gain, it appears that the marketing of such cotton would not be exempt from the quota and penalty provisions of the Act.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 General Letter No. 28

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

August 5, 1938

To Administrative Officers
Southern Region.

The rate of deduction for exceeding the peanut acreage allotment as specified in the 1938 Agricultural Conservation Program Bulletin under Section V, subsection A, item 3, paragraph (b), has been amended as follows:

> "6 times the payment rate specified in Section IV for the normal yield for the farm on the acreage by which the acreage of peanuts for market exceeds the peanut acreage allotment."

Southern Region Bulletin 201 will be amended to decrease the deduction rate from 10 times to 6 times the payment rate with respect to peanuts, to agree with the National Bulletin.

Very truly yours,

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 GENERAL LETTER NO. 29

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

August 17, 1938

To All Administrative Officers,
Southern Division.

This is with reference to the determination of whether a farm is idle in 1938 in connection with the 1938 Agricultural Conservation Program.

Southern Region Bulletin 201 provides that: "No payment, other than a payment in connection with the restoration land goal, shall be computed with respect to any farm which is idle in 1938." Southern Region Bulletins 203 and 204 provide that: "Farms on which crops are not planted but on which approved soil-building practices are carried out in 1938 are not considered to be idle."

In order that a uniform interpretation may be placed upon the term "idle farm", the following is submitted for your information:

A farm shall be considered as idle in 1938 unless:

(1) A soil-depleting crop is seeded on the farm for harvest in the year 1938; or

(2) The county committee determines that failure to seed one or more soil-depleting crops was due to flood or drought; or

(3) A volunteer soil-depleting crop was harvested in 1938; or

(4) One or more approved soil-building practices are carried out on the farm in 1938.

If the county committee determines that none of the foregoing conditions have been substantially fulfilled within the purpose and intent of the 1938 Agricultural Conservation Program, such farm shall be considered as idle in 1938.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 GENERAL LETTER NO. 29 (REVISED)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D.C.

February 24, 1939

To All Administrative Officers and State Committeemen,
Agricultural Adjustment Administration,
Southern Division:

This is with reference to the determination of whether a farm is idle in 1938 under the provisions of the 1938 Agricultural Conservation Program.

Southern Region Bulletin 201 provides that: "No payment, other than a payment in connection with the restoration land goal, shall be computed with respect to any farm which is idle in 1938." Southern Region Bulletins 203 and 204 provide that: "Farms on which crops are not planted but on which approved soil-building practices are carried out in 1938 are not considered to be idle.

In order that a uniform interpretation may be placed upon the term "idle farm", the following is submitted for your information:

A farm shall be considered as idle in 1938 unless:

(1) A crop was seeded on the farm for harvest in the year 1938; or

(2) The county committee determines that failure to seed one or more crops was due to flood or drought; or

(3) A volunteer soil-depleting crop was harvested in 1938; or

(4) One or more approved soil-building practices were carried out on the farm in 1938.

If the county committee determines that none of the foregoing conditions have been substantially fulfilled within the purpose and intent of the 1938 Agricultural Conservation Program, such farm shall be considered as idle in 1938.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.

1938 GENERAL LETTER NO. 30

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
Washington, D. C.

August 22, 1938

To All Administrative Officers,
Southern Division:

The following questions and answers relating to regulations and instructions pertaining to cotton marketing quotas for the 1938-1939 marketing year are submitted for your information:

1. QUESTION: What is the status of a landlord of a standing or fixed-rent tenant who receives cotton in payment of the stipulated rent?

ANSWER: The landlord of a standing or fixed-rent tenant is the transferee of cotton received by him in payment of the stipulated rent and must require the producer to identify the cotton to him as provided in section 408 of the regulations. If the cotton is identified to him by the use of a red marketing card (form Cotton 212), he must execute form Cotton 213 in all cases. If the cotton received in payment of the rent is marketed subject to penalty, the landlord and the standing or fixed-rent tenant may agree, as provided in section 505 of the regulations with respect to the marketing of cotton by barter or exchange, that the landlord will collect the penalty from the standing or fixed-rent tenant and remit it to the treasurer of the county committee. However, the landlord is not required to collect the penalty and the tenant paying the standing or fixed rental must remit the penalty to the treasurer of the county committee not later than thirty days after the payment of the rent if the penalty was not collected by the landlord.

2. QUESTION: How may a producer of cotton, such as the landlord of a standing or fixed-rent tenant or a ginner, identify cotton acquired by him as a buyer or transferee?

ANSWER: The regulations do not require the buyer or transferee to identify cotton to a subsequent buyer or transferee. The penalty with respect to the marketing of cotton is incurred by the producer of the cotton at the time it is marketed and must be collected by the first buyer. The penalty does not become a lien on the cotton marketed even though the penalty is not paid, and therefore the second and subsequent buyers of the cotton have no duty under the Act to collect the penalty or to require the seller to identify the cotton as being cotton the marketing of which was or was not subject to the penalty. However, a cotton producer who is also a buyer or transferee of cotton may be called upon to distinguish between cotton produced by him and cotton acquired by him in his capacity as a buyer or transferee. Where

the cotton was acquired from a producer to whom a red marketing card (form Cotton 212) was issued, the original form Cotton 213 may be used by the first buyer or transferee to identify the cotton to a subsequent buyer or transferee. Where the cotton was acquired from a producer to whom a white marketing card (form Cotton 211) was issued, the first buyer or transferee may identify the cotton by the records kept in connection with his business. In cases where a producer who is also the buyer or transferee of cotton grown by a producer to whom a white marketing card (form Cotton 211) was issued does not desire to rely solely upon his business records to identify such cotton to a subsequent buyer or transferee, the producer from whom he acquired the cotton may execute a form Cotton 211-A which could then be used by the first buyer or transferee to identify the cotton to the subsequent buyer or transferee. Although form Cotton 211-A was not designed for this purpose, the county committee may issue forms Cotton 211-A and suggest this procedure to producers wherever the use of form Cotton 211-A for such purpose will be helpful.

3. QUESTION: How may a person who was a cotton producer prior to 1938 and who is not engaged in the production of cotton in 1938 identify at the time of marketing cotton from a previous crop which he has on hand in 1938?

ANSWER: The penalty does not apply with respect to the marketing of cotton produced in any year prior to 1938 by a producer who is not engaged in producing cotton in 1938 and the regulations do not require that a marketing card be issued with respect to such cotton or that it be identified at the time it is marketed. However, for the convenience of buyers and persons who are not engaged in the production of cotton in 1938 and who have cotton on hand from a previous crop, the county committee may issue a white marketing card (form Cotton 211) to such person. The issuance of a white marketing card for this purpose is not prohibited by the regulations and is not in conflict with the purpose and intent of the regulations. Where a white marketing card (form Cotton 211) is issued for this purpose, the instructions contained in section 207(b) of Cotton 208-SR should be followed with the exception that an additional notation should be made on the form Cotton 211 and in column F of form Cotton 250 to the effect that the person to whom the form Cotton 211 is issued is not producing cotton in 1938.

4. QUESTION: Should a cotton marketing card be issued to a producer who is located in 1938 on a farm for which a cotton acreage allotment was established but on which cotton is not produced in 1938?

ANSWER: With the exception of the cases covered by question 3 above, a cotton marketing card should not be issued by any person who is not engaged in 1938 in the production of cotton.

5. QUESTION: What type of evidence should the county committee require as proof of authority of an agent to receive form Cotton 211 or Form Cotton 212 on behalf of the producer to whom the marketing card is issued?

ANSWER: The regulations pertaining to cotton marketing quotas do not prescribe a power-of-attorney form to be executed as evidence of the authority of an agent to act for a producer in receiving the cotton marketing card issued to the producer. In passing upon the authority of an agent for the purpose mentioned above the rules contained in ACP-16, "Instructions on Signatures and Authorizations", should be followed. Before a marketing card is delivered to an agent acting for a producer the county committee should determine that the agent is specifically empowered to receive the producer's marketing card. In many instances the authority of the agent to act for the principal in connection with the conservation programs does not include the authority to receive the cotton marketing card. The cotton marketing cards should be delivered to the producers for whom they were issued wherever possible and the delivery of the marketing cards to agents should be limited to those cases where the necessity for the producer to act through an agent is thoroughly apparent from the circumstances of the particular case. If the producer desires an agent to act for him in the use of the marketing card after the marketing card has been delivered by the producer, the designation of the agent may be accomplished by the producer through the execution of Part II of the marketing card.

6. QUESTION: Is the ginner required to report on form Cotton 216 the name of the person who produced the cotton, the name of the operator of the farm on which the cotton was produced, the serial number of the farm, and the county in which the farm is located in the following cases: (a) Where remnants or odd lots of seed cotton are purchased from producers; (b) Where cotton is received by the ginner as a toll in lieu of a cash charge for ginning services; and (c) Where the cotton to be ginned is acquired from a buyer or transferee of seed cotton?

ANSWER: There are no exceptions to the requirement that the ginner show in columns A, B, C, D, and E, respectively, of form Cotton 216 the farm serial number, the name of the operator of the farm, the name of the producer who grew the cotton, and the name of the county in which the farm is located. In order that the ginner may report the required information, he may enter in column F of form Cotton 216 the number of pounds of seed cotton received and in column G enter the estimated or known lint turn-out of such seed cotton. The headings of columns F and G of form Cotton 216 should be altered accordingly. In some instances it would be well for the ginner to use separate sheets of form Cotton 216 to record such cotton. Ginners who acquire seed cotton from buyers or transferees must, in order that they will be in

a position to make the ginner's record and report required by section 601 of Cotton 207, require such buyers or transferees to furnish the necessary information with respect to such seed cotton. For the convenience of the ginner and the buyer or transferee of seed cotton form Cotton 220 may be used with the necessary alterations by the buyer or transferee to assemble the information to be shown by the ginner with respect to the seed cotton. The responsibility for making an accurate report of the cotton ginned rests with the ginner.

7. QUESTION: Is it necessary that a separate form Cotton 219 be issued to a buyer who remits at one time to the treasurer of the county committee the penalties reflected in several forms Cotton 213b?

ANSWER: In case the amount remitted by a buyer is composed of sums collected from a number of producers through the marketing of cotton in several transactions so that the buyer submits several forms Cotton 213b with the remittance, the treasurer of the county committee may issue one form Cotton 219 to such buyer as a receipt for the entire sum remitted by preparing the receipt in accordance with the existing procedure, except that a list shall be prepared in duplicate showing the name of the producer, the farm serial number, and the amount paid by each producer as evidenced by each form Cotton 213b. The treasurer should enter the words "See attached list" on the applicable lines of form Cotton 219 in lieu of the name of the operator or producer and the farm serial number. One copy of the list so prepared should be attached to each copy of form Cotton 219 and the copies thereof retained by the treasurer should be used by him in posting the required information to forms Cotton 254 and 256.

8. QUESTION: What is the meaning of the expression "collection and payment at par" when applied to checks, drafts, or money orders covering the remittance of penalties?

ANSWER: The expression means that the checks, drafts, or money orders must be paid by the person or institution on whom they are drawn dollar for dollar in the amount due and payable as the penalty for which they are tendered without any allowance or discount for the expense or risk of collection, or for the time necessary to transmit the funds from one place to another. The expression should not be construed to apply to charges by the depository bank for the service of the cotton special deposit trust account. Where the charge for carrying the account is assessed on the basis of the number of items handled for collection or checks drawn against the account, as for example, a specified charge per item or a specified fixed charge with an allowance for additional charges for collections or disbursements in excess of a maximum number of such items, checks deposited for collection subject to

such service charges should not be considered to have been paid below par. All service charges, collection fees, and deposit deductions charged by the depository bank for the account, shall be paid by the county association treasurer from the funds provided for the administrative expenses of the county committee in accordance with existing procedure.

9. QUESTION: Should the county committee accept a bond of indemnity or funds to be held in escrow to secure payment of the penalty after a portion of the penalty to be incurred with respect to the marketing of cotton has been paid by the producers on the farm with respect to which the bond or funds are tendered?

ANSWER: No. While the regulations do not prevent the acceptance of the bond or funds at that time, the county committee will not be in a position to make a fair estimate of the penalty to be incurred and the records with respect to the farm account would be made unnecessarily complicated. County committees should confer with the operator before or at the time of issuing the red marketing cards and, if possible, determine whether or not the penalty will be secured pursuant to section 507 of Cotton 207.

I. W. Duggan

I. W. Duggan,
Director, Southern Division.